

Message Text

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PAGE 01 LAGOS 01031 01 OF 02 251336Z
ACTION EB-08

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LIMITED OFFICIAL USE SECTION 1 OF 2 LAGOS 1031

E.O. 11652: N/A
TAGS: ETEL, BENC, BEXP, NI
SUBJECT: MAJOR PROJECTS: DOMESTIC TELECOMMUNICATIONS SYSTEM AND
TELECOMMUNICATIONS FOR AJAOBUTA STEEL MILL AND PETROLEUM
PIPELINES

REF: (A) 77 STATE 306873, (B) 77 STATE 294786

1. VISITS TO THREE SEPARATE OFFICES IN MINISTRY OF COMMUNICATIONS
(MDC) CULMINATING IN CALL ON DIRECTOR OF TELECOMMUNICATIONS
I.O.A. IASODE, PLUSE DISCUSSION WITH DENNIS MCNEIL, REPRESENTATIVE
OF FORD AEROSPACE AND COMMUNICATIONS CORP., HAVE YIELDED FOLLOWING
INFORMATION IN RESPONSE TO REFTELS.

2. RE PARA 1 REFTEL A, IASODE SAID 500,000 SWITCHING LINES
HAVE BEEN INCREASED TO 750,000. HOWEVER, IT HAS NOT BEEN
DECIDED YET WHETHER OR NOT TO ISSUE INTERNATIONAL TENDERS
FOR ADDITIONAL LINES.

3. THE 500,000 LINES WERE PART OF STAGE I AND STAGE II OF
TELECOMMUNICATIONS SYSTEM DEVELOPMENT PLAN. STAGE I INVOLVED
147 EXCHANGES, AND STAGE II AN ADDITIONAL 149 EXCHANGES.

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PAGE 02 LAGOS 01031 01 OF 02 251336Z

ACCORDING TO MCNEIL, TWO-THIRDS OF STAGE I EXCHANGES WERE
AWARDED A YEAR AGO TO ITT BELGIUM, THE BALANCE TO SIEMENS.
EXTERNAL LINE PLANT FOR THESE 147 EXCHANGES WAS AWARDED TO ITT,
SIEMENS, MARUBENI, TRANSMISSION CABLES LIMITED (UK).

4. MCNEIL SAID THAT MEANWHILE SPECIFICATIONS FOR STAGE II EX-
CHANGES HAD BEEN 'SITTING IN LIMBO' FOR PAST YEAR. ACCORDING

TO MCNEIL, MOC REPORTEDLY INTENDED TO AWARD THESE EXCHANGES TO EXISTING CONTRACTORS FOR STAGE I. IASODE WOULD NOT TELL EMBOFF ANYTHING ABOUT STATUS OF STAGE II TENDERS OTHER THAN TO SAY QUOTE CONSIDER THAT THEY ARE GONE UNQUOTE. ASSUME THIS MENAS MOC WILL DEFINITELY AWARD STAGE II EXCHANGES TO EXISTING CONTRACTORS.

5. THE ADDITIONAL 250,000 LINES ARE PAART OF STAGE III OF TELECOMMUNICATIONS DEVELOPMENT PLAN. MCNEIL ESTIMATES THEY WILL BE PART OF PERHAPS 200 ADDITIONAL EXCHANGES WHICH WILL SERVE SMALLER TOWNS. IASODE SAID THAT THERE IS AS YET NO SCHEDULE FOR BIDDING ON STAGE III.

6. CONCLUSION IS THEREFORE THAT SOMETIME IN THE FUTURE THERE WILL BE OPPORTUNITIES FOR WESTERN WLECTRIC (WECO) AND OTHERS TO PREPQUALIFY FOR AND BID ON BOTH ADDITIONAL EXCHANGES AND LINES. HOWEVER, KEEPING ABREAST OF TIMETABLE WILL REQUIRE WESTERN ELECTRIC TO PUT A REPRESENTATIVE ON THE GROUND HERE FOR LONG PERIODS OF TIME LIKE OTHER COMPETITORS DO.

7. RE PARA 2 REFTTEL A, IASODE SAID TENDERS FOR MICROWAVE PORTION OF SYSTEM ARE NOW READY FOR RELEASE. (FYI: TENDERS WERE SENT TO IASODE AT MOC TAFEWA BULEWA SQUARE HEADQUARTERS FOR FINAL APPROVAL LATE LAST YEAR AND WERE ORIGINALLY TO BE RELEASED IN DECEMBER. AFTER UNEXPLAINED DELAY, THEY WERE APPARENTLY RETURNED BY IASODE TO MR. OLADIMEJI AT FALOMO FOR LIMITED OFFICIAL USE

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PAGE 03 LAGOS 01031 01 OF 02 251336Z

TECHNICAL CHANGES AND ARE TO BE PICKED UP THERE AND RELEASED TO PREVIOUSLY PREQUALIFIED BIDDERS BY MR. NBANEFO, DEPUTY SECRETARY IN CHARGE OF TENDERS AT P AND T OFFICES IN GENERAL POST OFFICE BUILDING ON MARINA. END FYI). IF WECO PREQUALIFIED UNDER TERMS AND PROCEDURES OF INVITATION DOCUMENT ISSUED IN LATE 1975 (THIS DOCUMENT STILL REMAINS VALID ACCORDING TO MBANEFO), THEY WILL RECEIVE TENDER DOCUMENTS. I, NOT, IT IS TOO LATE.

8. FYI: ACCORDING TO MCNEIL, NIGERIA'S PLANNED MICROWAVE SYSTEM, WHICH WILL BE USED MAINLY TO CONNECT CENTRAL SWITCHING EXCHANGES BETWEEN TOWNS AND WITHIN LARGER CITIES, IS LARGEST SUCH PROJECT IN WORLD IN THIS CENTURY. EXPATRIATE EXPERT WORKING FOR P AND T TOLD EMBOFF HE BELIEVES TOTAL COST OF SYSTEM HAS BEEN ESTIMATED AT MORE THAN DOLS 1.5 BILLION.

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PAGE 01 LAGOS 01031 02 OF 02 251333Z
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LIMITED OFFICIAL USE SECTION 2 OF 2 LAGOS 1031

EXPERT, WHO ONCE WORKED FOR BELL SYSTEM, SAID HE CANNOT
UNDERSTAND LACK OF WECO PRESENCE IN NIGERIA. END FYI.

9. RE REFTEL B, IASODE SAID P AND T WILL HANDLE TELE-
COMMUNICATIONS FOR AJAKUTA STEEL MILL TOWN. WECO SHOULD
THEREFORE EXPRESS ITS INTEREST THROUGH IASODE. HOWEVER,
IASODE SAID THERE NO DETAILED DESIGN FOR SUCH TELECOM-
MUNICATIONS YET, SEEMED NON-PLUSED AT QUESTION POSED
REFTEL B WHETHER BRAZILIAN CONSULTANT HAD ADDRESSED TELECOM-
MUNICATIONS IN MASTER PLAN, AND VENTURED OPINION THAT FUNDS
WOULD BE ALLOCATED IN GENERAL BUDGET FOR COMPLEX. IT THUS
CLEAR THAT P AND T HAS NOT FOCUQED ON THIS PROJECT YET.

10. DAILY TIMES FRIDAY, JANUARY 20 UNDER BANNER HEADLINE
QUOTE P AND T BLAMES WOES ON FOREIGN EXPERTS UNQUOTE REPORTED
BRIEFING GIVEN PRESS BY IASODE ON STATUS OF TELECOMMUNICATIONS
DEVELOPMENT. IASODE CITED TWO EXAMPLES. FIRST WAS UN-NAMED
FOREIGN CONSULTANT WHO ADVISED YEARS AGO AGAINST PROVISION
OF MORE THAN ONE TELEPHONE EXCHANGE FOR LAGOS, OVER-RULING
OBJECTIONS OF NIGERIAN ENGINEERS. SECOND WAS ABANDONMENT
BY NORTHERN ELECTRIC COMPANY OF CANADA OF PROJECT TO INSTALL
14 TELEPHONE EXCHANGES AROUND COUNTRY. IASODE WENT ON TO SAY
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PAGE 02 LAGOS 01031 02 OF 02 251333Z

THAT OTHER PROBLEMS DUE TO OBSOLETE EQUIPMENT INSTALLED
SINCE 1951 WHICH CAUSED DOUBLE SWITCHING, CROSSTALK,
NO DIAL TONE, ETC. WEAKEST LINK OF TELECOMMUNICATIONS
SERVICE AT PRESENT, IASODE CONTINUED, IS GAS PRESSURIZED CABLE
NETWORK WHICH HAS BEEN IN USE FOR BETWEEN 12 AND 22 YEARS.

THIS DESIGN IS PRONE TO FREQUENT BREAKDOWNS DUE TO WIDE FLUCTUATIONS OF POWER SUPPLY AND LACK OF PROPER DRAINAGE. IASODE CONCLUDED WITH EXPLANATION THAT BRAZILIANS AWARDED CABLE REHABILITATION CONTRACT BECAUSE FMG DELEGATION TO BRAZIL HAD BEEN IMPRESSED THAT DEVELOPING COUNTRY COULD EXPAND ITS OWN SYSTEM FROM 660 TO 2.5 MILLION TELEPHONE LINES IN SEVEN YEARS. TOTAL OF 156 BRAZILIANS NOW WORKING WITH AND TRAINING 2,000 NIGERIAN TECHNICIANS.

11. FYI: MCNEIL TOLD EMBOFF THAT UNNAMED FOREIGN CONSULTANT TO WHOM IASODE REFERRED WAS WECO, WHICH HE SAID RELUCTANTLY UNDERTOOK CONSULTANCY CONTRACT HERE IN EARLY 60'S AT URGING OF USG. WECO, MCNEIL SAID, DID NOT SEND ITS BEST PEOPLE AND SHOWED LITTLE ENTHUSIASM FOR JOB, AND CONSEQUENTLY DID NOT GET ALONG WELL WITH P AND T. IASODE REFUSED TO COMMENT TO EMBOFF ON DAILY TIMES REPORT, SAYING THIS WAS PAST HISTORY. WHEN EMBOFF ATTEMPTED DRAW IASODE OUT ON WHETHER HE HAD BEEN REFERRING TO ANY U.S. FIRMS IN HIS CRITICISM OF FOREIGN EXPERTS AND IF SO WHETHER SUCH FIRMS MIGHT HAVE BEEN, OR IN FUTURE WOULD BE BARRED FROM PREQUALIFYING ON TELECOMMUNICATIONS PROJECTS IN NIGERIA, IASODE RESPONDED THAT ANY FIRM WHICH COULD DEMONSTRATE CONVINCINGLY ITS COMPETENCE AND CAPABILITY TO HANDLE GIVEN PROJECT WOULD BE PREQUALIFIED.

12. MCNEIL SAID HE THINKS WECO IS INTERESTED IN RE-ENTERING NIGERIAN MARKET, AND ADDED THAT FACC HAS QUOTED WECO SWITCHES IN BIDS ON NIGERIAN PROJECTS. MCNEIL HAS OFFERED TO WORK TOGETHER WITH WECO IN KEEPING ABREAST OF AND BIDDING ON PROJECTS, LIMITED OFFICIAL USE

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PAGE 03 LAGOS 01031 02 OF 02 251333Z

BUT THERE HAS BEEN LITTLE RESPONSE FROM WECO. END FYI.

13. ON DIFFERENT TELECOMMUNICATIONS SUBJECT, MCNEIL SAID NIGERIAN NATIONAL PETROLEUM CORPORATION IS STILL EVALUATING CONTRACTOR PREQUALIFICATION SUBMISSIONS ON DOLLARS 30 MILLION MICROWAVE TELECOMMUNICATIONS NETWORK FOR PETROLEUM PRODUCT PIPELINE SYSTEM, HAS NOT YET PREPARED SHORT LIST. NNPC IS REPORTEDLY NOT PLEASED WITH CABLE AND WIRELESS (U.K.) ON CONSULTANT FOR THIS PROJECT AND MAY TERMINATE CONTRACT BEFORE LONG. EASUM

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